

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES  
NUMBER 25994

---

This is a summary of a decision issued following the June 2011 hearings of the Disciplinary and Ethics Commission (“Commission”) of Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The conduct at issue in this case occurred before January 1, 2009. The Rules in effect for conduct occurring before January 1, 2009 were Rules 101 through 705 of CFP Board’s *Code of Ethics and Professional Responsibility*.

I. Issue Presented

Whether a CFP® professional (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* when he did not respond to a Complaint issued to him by CFP Board.

II. Facts Relevant to the Commission’s Decision

In January 2011, Respondent disclosed that he entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with the Financial Industry Regulatory Authority, Inc. (“FINRA”). CFP Board opened its investigation into the matter and discovered that the AWC imposed a six-month suspension of Respondent’s association with any FINRA member firm in any principal capacity and a \$10,000 fine. In April 2011, CFP Board mailed a Complaint to Respondent at his CFP Board address of record.

The Complaint alleged that Respondent violated *Code of Ethics* Rules 201, 406, 606(a), 606(b), 607, and 701 when he: 1) as principal responsible for conducting due diligence of private offerings, failed to conduct meaningful due diligence for these offerings prior to approving them for sale to clients of his firm; 2) failed to have reasonable grounds for allowing firm representatives to continue selling the private offerings in light of the negative information and red flags available; and 3) failed to maintain a supervisory system that was reasonably designed to achieve compliance with applicable securities laws and regulations.

Respondent did not submit an Answer in Response to CFP Board’s Complaint.

III. Discipline Imposed

Article 7.4 of CFP Board’s *Disciplinary Rules and Procedures* stipulates that if a registrant fails to file an Answer to the Complaint within the 20-day period provided by Article 7.3, the registrant shall be deemed to be in default, and the allegations set forth in the Complaint shall be deemed admitted. In such circumstance, an Order of Revocation shall be issued to the registrant.

Therefore, pursuant to Article 7.4, the Commission issued an Order to Revoke Respondent’s right to use CFP®, CERTIFIED FINANCIAL PLANNER™,  and  certification marks.

ACH 25994

- 1 -